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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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FAIR CROPS—BETTER MARKETS

The crops have made reasonably good progress so far. Although winter wheat has threshed out a short crop and the fruit prospect is considerably smaller than last year, the important food, feed, and fiber crops now promise to turn out an ample total supply. The crop picture varies in local areas as the result of recent weather conditions. Corn and late-sown spring wheat in portions of the West have suffered from the heat waves and some bad weather effects are reported from the eastern Cotton Belt. The general hay crop is better than last year and better than it was expected to be six weeks ago but it is scarcely up to average. Alfalfa, however, is a good crop.

Wheat harvest is now going forward in the North. Most of the early-sown spring wheat which has so far been threshed has turned out good yields and grain of high quality. Various late-sown wheat, however, has sustained some damage from hot winds, so that a portion of the crop is still an unknown quantity. The crop in Canada is reported to be in favorable condition and to promise a materially larger production than last year. The shortage in our hard winter wheat crop is having some effect in maintaining substantial protein premiums in the mid-country markets.

The index of the general level of farm prices advanced 5 points from June 15 to July 15 as a result of the increased prices of hogs, cattle, eggs, cotton, and some minor crops. Grains did not advance in that period. This is the greatest gain recorded in the index in one month since July, 1929.

The most notable market development was the rise in hog and cattle prices, although hog prices usually show some seasonal rise in the summer. Prices had fallen so low around June 1 that farmers were not disposed to ship their hogs, where they were in position to hold them. In the western part of the Corn Belt, where feed was scarce, farmers had already disposed of most of their hogs. Consequently, by the last week of June slaughter supplies were nearly one-half less than for the previous month and fully a fourth less than in the same week of 1931. Cattle receipts also declined and prices of both hogs and cattle rose. The market advance was not fully sustained, but the average for the month was considerably above the previous month. If some part of this rise in hog prices could be sustained through the coming year, it would be of tremendous benefit to the Corn Belt. The preliminary report on wool shorn this spring shows a decline of 7.3 per cent, or 27,000,000 pounds less than for

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last year. The lamb crop was about 8 per cent smaller. In general, production of animals is showing a tendency to decline somewhat. Stocks and surpluses are being reduced, and the markets show a greater firmness than has been noticeable for some months.

THE 1932 SPRING PIG CROP

The 1932 spring pig crop for the United States was 50,093,000 head, according to the estimate of the Department of Agriculture. This was 3,758,000 head or 7 per cent smaller than the spring crop of 1931, but 662,000 head or about 1½ per cent larger than the spring crop of 1930. The spring pig crop covers the number of pigs saved during the six months' period, December 1 to June 1. The spring crop of 1932 in the North Central States (the Corn Belt) was 39,783,000 head, which was 4,554,000 head or 10 per cent smaller than the 1931 spring crop and 694,000 head or about 2 per cent smaller than the 1930 spring crop.

The decrease in the total crop this year was due to the sharp decrease in those areas in the western part of the Corn Belt where feed grain production in 1931 was greatly reduced as a result of the drought. Five of the seven States in the west North Central group had decreases ranging from 11 per cent in Iowa to 40 per cent in South Dakota, with increases in Missouri and Kansas. There were also decreases in the western group of States, due also to the 1931 drought. In all other regions and nearly all other States there were increases, most marked in the south Central States from Kentucky to Texas.

The decrease in the number of pigs saved this year resulted from decreases both in the number of sows farrowed and in the average number of pigs saved per litter. The number of sows farrowed in the spring period of 1932 was 4 per cent smaller than in 1931 but over 4 per cent larger than in 1930. The decrease from last year was due principally to the decrease in the western Corn Belt. On the other hand, the decrease in the average number of pigs saved per litter was general over the whole country. The average number was 5.79 head in 1932 compared to 6.02 in 1931 and 5.97 in 1930. The decrease in pigs saved per litter this year resulted chiefly from the severe weather in March, which caused above normal losses during that month.

The number of sows to farrow during the six months, June 1 to December 1, 1932, is estimated at 4,488,000 head, an increase of 53,000 head or 1.2 per cent over the number farrowed in the corresponding period of 1931. Increased fall farrowings are estimated for all regions except the west North Central and far Western States. This estimation was based upon interpretation of breeding intentions reported by farmers as of June 1 and does not take into consideration any abnormal developments either in the hog market or in crop prospects after that date.

This year is the first time the department has issued a report making current quantitative estimate of pigs saved and of sows farrowed and to farrow. While the estimates given in the report are based largely upon the returns of the June pig survey, made in cooperation with the Post Office Department through the rural-mail carriers, the report differs from the former survey reports in that they gave only the percentage changes in pigs saved and in sows farrowed and to

farrow as shown by the cards tabulated and they were not issued as actual estimates of such changes.

While no estimates were made of the total number of hogs over six months of age on June 1 this year and last, the indications from the survey tabulations pointed to an increase this year of about 5 per cent. These indications are derived from the average number of such hogs per farm reporting in each year and from the relationship of the number of such hogs to the number of pigs saved each year.

That there was a decrease rather than an increase in the spring pig crop this year was undoubtedly a result of the 1931 drought which materially reduced feed crops in the northwestern part of the Corn Belt. If the corn crop of 1931 in that area had been average, there would probably have been a relatively larger increase in the pig crop there than occurred in other sections of the Corn Belt, and one of the largest spring pig crops on record in the Corn Belt would have resulted.

The July, 1932, crop report shows a considerable increase in the acreage of feed crops in the Corn Belt this year, and crop conditions as of that date forecast above average production of corn and barley. If this large production materializes, or if production is only about average, the situation will be very favorable for an unusually large increase in Corn Belt hog production in 1933, similar to that which occurred in 1922 under quite comparable conditions.

Although there has been a decrease in the spring pig crops this year in Denmark and Germany and other European countries and a decrease in fall farrowings is also indicated, hog production in Europe will still be materially larger than it was in 1923 and 1924. While the foreign outlet for American hog products in 1933 may be somewhat larger than in 1932, due to smaller European production, there seems little likelihood that conditions affecting exports from this country will soon, if ever again, be as favorable for a large export movement as were those of 1923 and 1924.

C. L. Harlan,
Division of Crop and Livestock Estimates.

THE CATTLE-MARKET SITUATION

A $9 quotation on steers returned to Chicago on July 7 after an absence of 21 weeks, and for the first time in many months the average price of all steers rose above that of the corresponding week a year earlier. Short supplies, relatively cool weather, and advancing prices for carcass beef resulted in a top of $9.75, paid on July 15. This called forth increased supplies during the third week in July which could not be advantageously disposed of under the then prevailing high temperature conditions and a general price reaction occurred. On July 22, however, best slaughter steers at Chicago were still selling for more than $9 per 100 pounds and all classes and grades of cattle were bringing higher prices than they did early in the month.

Prices of most classes and grades of cattle reached the lowest levels since 1911 about the middle of May, after which a seasonal advance for the better grades of slaughter steers and heifers got under way. This advance was moderate during the first five weeks, but

from June 20 to July 16 the weekly gains ranged from 30 to 50 cents per 100 pounds and the average for choice steers at Chicago reached $9.10. The rise in steer prices during June was not shared by all classes of cattle, as market values of cows, vealers, and stocker and feeder cattle during the week ended July 9 were all below the levels of a month earlier. After July 4, however, the strong tone of the fed steer market was reflected in a general advance in the prices of other cattle.

The rise in the weekly averages of slaughter steer prices at Chicago from mid May to the week ended July 16 amounted to about $2 for good and Choice grades, $1.85 for the Medium grade, and 85 cents for the Common grade. The spread between the average prices paid for Choice and Common grade steers during the second week in July amounted to $3.04 compared with $2.08 a year earlier, and except for the spread of $3.45 during the week ended July 9 it was the widest since early March.

The better grades of steers ordinarily advance during the summer months but this summer the price rise got under way somewhat earlier than last and the advance to date has been greater than average. Smaller marketings of fed steers as compared with those of a year earlier account chiefly for the marked price advance in June and July, and the large proportion of lower-grade steers in the total supply account for the wide spread between the prices of the different grades. Supplies of slaughter steers in June at Chicago were 22 per cent smaller than in June last year and were the smallest for the month in the 11 years for which these figures are available. During the first two weeks in July, supplies of such steers at that market were 30 per cent smaller than in the corresponding period in 1931. The decrease was entirely in the better grades, however, as both the number and proportion of steers in the lower grades were larger. Supplies of the better grades of cattle during the remainder of the summer are expected to continue relatively small as there apparently is a marked decrease in the number of cattle in feed lots as compared with a year ago.

Cattle slaughter under Federal inspection during the first six months of 1932 was 3.4 per cent smaller than that of the corresponding period last year. Steer slaughter was nearly 2 per cent larger, but cow slaughter was reduced 10 per cent. The ratio of cow slaughter to total slaughter during this period was far below that of any corresponding period of the last 10 years. This ratio in June showed some increase over that of June, 1931, but until this increase, it had been declining relatively every month, except one, for more than two years. Prices for thin cows and heifers of most of the last two years have been so low that they would hardly cover marketing costs, and this situation has tended to cause many producers to retain such stock for producing calves and dairy products. Cattle numbers, consequently, have been increasing, and unless there is a very large increase in the slaughter of grass-fat cattle this fall over the extremely small slaughter of last fall, cattle numbers next January will be materially larger than they were at the beginning of 1932.

The demand for stocker and feeder cattle has been unusually weak this year, although inquiry for replacement cattle has increased recently as a result of the improvement in the fed cattle market and by reason of prospects for a large feed crop. Stocker and feeder

shipments of steers from the principal markets during the first six months of the year were 28 per cent smaller than those in the corresponding period last year. Shipments of calves to the country fell off 18 per cent and heifer shipments declined 56 per cent. The reductions in shipments of lightweight feeder steers were materially less than those for the heavier weight groups. The credit situation is still stringent and this may restrict the movement of cattle to feed lots this fall. On the other hand, the more favorable returns from cattle feeding this season as compared with last, the prospects of a large corn crop, and a reduction in the number of spring pigs will serve as incentives to purchase more feeder cattle and calves this fall than were purchased in the fall of 1931.

A large proportion of the market supply of cattle from July to November are grass cattle from the western range States and the western Corn Belt. Range and pasture conditions in these areas are generally good. Consequently, the market movement of grass cattle this fall is expected to be somewhat later than usual unless price developments in the fat-cattle market alter the situation. Relatively few cattle were shipped into Oklahoma and Kansas pastures last spring, consequently fewer cattle are expected from these areas this summer and fall than were marketed from there a year earlier.

Guy A. Peterson,
Division of Livestock, Meats, and Wool.

THE WORLD WHEAT SITUATION

World wheat markets continue under the influence of large supplies and a low level of demand. The carry-over in the principal exporting countries as of July 1, together with United Kingdom port stocks and quantities afloat, was apparently somewhat smaller than that of a year earlier, but it was nevertheless very large—larger than that of any other year save the record year of 1931. Production in the Northern Hemisphere outside Russia and China appears likely to be about the same as that of 1931, but somewhat smaller supplies are expected from Russia during 1932–33 than in 1931–32.

Early in the season it looked as though world wheat supplies might be considerably lighter than they were last year. Conditions in May and June pointed to very low yields of winter wheat in the United States, and counting on about average yields for spring wheat in the United States and early condition indications in some European countries and average yields in others, it looked as though the stage was set for a considerable reduction over last year's crop. A small winter-wheat crop in the United States materialized during June and early July, however, the progress of Canadian and United States spring wheat crops continued favorable, and July estimates of the wheat crops of the principal European countries indicated much higher than average yields in most of the importing countries of Europe. In the exporting countries of the lower Danube Basin, however, production is considerably less than in 1931. All in all, the estimates, based on July 1 conditions of the crops, pointed to a production in the Northern Hemisphere about the same as last year.

The condition of the spring-wheat crops as of July 1, however, does not give a very reliable indication of what the yield will finally be.

Hence, August estimates will be carefully watched for the changes which they may indicate in the outlook for production. The August 1 condition of the crop in the United States and Canada will be of especial importance. August 1 trade estimates reflect the general opinion of the trade that the spring wheat condition as of that date indicates smaller yields in the United States and about the same yields in Canada as was indicated by the July 1 condition of these crops.

In the principal wheat-growing countries of Europe it appears that the harvest is late and that it has been rather wet. The lateness of the harvest will undoubtedly help to improve European takings during August and the extent of damage done by rains during harvest time will be of great significance in affecting the final import needs of Europe during the 1932–33 season.

The demand of the importing countries continues to be greatly restricted because of the business depression. Business activity in most countries is even lower than it was a year ago and the small exports of manufactured goods which these countries are able to make, together with low prices for their export products, result in serious difficulties in obtaining funds with which to buy wheat and other things which they want to import. In Germany, however, the 1932 crop appears to be large enough that virtually no imports of wheat will be necessary during the 1932–33 crop year. French imports are also likely to be somewhat less than average, but imports of the United Kingdom, which is by far the world's largest wheat importer, and of Italy which is the third largest importer, are expected to be about average.

One factor of significance in the wheat situation is the effect of depreciated currencies in many countries. Prices have not declined so much in countries whose exchange has depreciated as in countries which have remained on the gold standard. In Great Britain, where the pound is now worth about \$3.50 instead of \$4.86, a wheat price of 50 cents per bushel in terms of United States currency is the same in English money as a price of about 70 cents per bushel would be if the exchange were par. The Australian pound at the present time has an exchange value of about \$3 in place of par value of \$4.86. Consequently, 40 cents per bushel for wheat in terms of United States money means a price of 3 shillings per bushel, which price would be the equivalent of 75 cents per bushel if the exchange were at par. Of course, the depreciation of exchanges affects prices of other commodities as well as of wheat so that in the long run it neither lessens the demand for wheat in the importing countries nor increases the supply in the exporting countries which have depreciated currencies. Nevertheless, the fact that debts and many other costs are fixed, for the time being, in terms of currency values, results in countries whose currencies have depreciated feeling less keenly the decline in wheat prices. There is a tendency for buyers of wheat to be less willing to buy and sellers of wheat more willing to sell because the exchanges have depreciated.

Whatever may be the final outturn of this year's wheat crop of the world and whatever may be the prices which may result from the combination of the heavy supplies and the curtailed demand, it seems fairly clear that the oversupply which has been in evidence in the past few years is slowly being corrected. However, the process of readjustment is very slow indeed. No great decrease in total world acreage

is to be expected, if indeed there is to be any decrease other than that which is dependent upon year-to-year vagaries of the weather. Instead, world acreage may average during the next few years at about the present levels. Consumption, on the other hand, may be expected to increase, especially when there is improvement in world economic conditions, and eventually to result in a depletion of the stocks which are now so burdensome.

Meanwhile, various restrictions on trade, including the very high tariffs and imports and milling quotas, are tending to maintain prices and production and to restrict consumption in most of the importing countries of Europe. These are, of course, obstacles in the way of the readjustment of production and consumption which must eventually take place.

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THE FRUIT AND VEGETABLE SITUATION

With the exception of peaches and citrus fruits, the prices of nearly all fruits and vegetables were low during late July. Produce markets generally were weak.

July crop reports indicated considerable increases of production this year for potatoes, sweetpotatoes, and grapes, but material decreases for apples, peaches, and pears, compared with last season. Total car-lot movement of 36 important products was averaging about 3,000 cars daily, or one-fourth less than at the same time last year.

LIGHTER SUPPLIES OF FRUITS AND MELONS

Apples may be fully one-third less abundant than last year, according to the July forecast of 134,000,000 bushels. This year's total crop may be about the same as that of 1929. Late spring freezes in certain States helped to reduce the production prospects and the June drop was heavy in some States. The West was shipping more actively than the East during late July, with total shipments averaging over 100 cars per day. Leading sources were California, Washington, Illinois, Delaware, and the Virginias. Jobbers were paying mostly 40 cents to $1.50 per bushel basket of eastern or mid-western fruit.

Cantaloupes have been in much lighter supply this year from Imperial Valley and Arizona, but heavier receipts than in 1931 were reported from Arkansas and the Carolinas. Market prices for western melons were low and shippers held down the daily output, leaving a considerable part of the crop unharvested. A few cash-track sales of Perfecto cantaloupes were being made in Arizona around 65 cents per standard 45 crate. Honey Balls in Imperial Valley were returning only 65 to 85 cents cash, with Honey Dews at 45 cents per standard crate. City values were very moderate during late July. As the season became active in Arkansas and the East, total movement increased to about 200 cars per day, fully half of which were from the West. The shipments of western Honey Balls, Honey Dews, and similar melons were averaging 150 cars daily.

Citrus fruits in California showed a lower condition in early July than the month before, but conditions in Florida registered improvement. Prospects in southern Texas were rather poor. California and Puerto Rico were about the only sources of the light July supplies of grapefruit, and the 200 cars of oranges which moved daily were exclusively from California. Prices recently have been favorable and the demand good.

Grapes in California are expected to exceed the 1931 crop by 41 per cent. That State may have 1,867,000 tons. Production of 2,140,000 tons in all grape States would be nearly one-third more than in 1931. New York and Pennsylvania probably will have one-fourth fewer grapes than last year's large crops, but increases are indicated for Michigan and Arkansas. Car-lot movement from California and Arizona recently has averaged only 20 cars per day and is increasing very slowly. Total shipments to date have been only half those of a year ago.

Peach crop prospects were reduced slightly during June, and the July forecast was about 47,200,000 bushels, or 38 per cent less than the 1931 crop. The commercial crop in Georgia has been decreasing from the first estimates and may hardly reach a total of 2,000 cars, compared with 13,600 last year. The crop in North Carolina is about one-third lighter than that of last season. Most of the Southern, Eastern, and Central States expect light crops, but prospects are better than last year in the West. California probably will have 55 per cent of all the 1932 peaches in the United States. Car-lot movement during late July had slowly increased to only 100 cars per day, or about one-fifth as many as a year ago. Principal shippers were Georgia, the Carolinas, Arkansas, and California. The 6-basket crates of medium to large Hileys were returning $2.25 to $2.50 and half-bushel baskets about $1.50, f. o. b. cash track in Georgia and North Carolina producing sections. Belles were beginning to move from Georgia at $2.25 to $2.35 per crate. Terminal market prices also were relatively high.

Pears, according to the July forecast, may amount to 21,503,000 bushels this year, or 8 per cent less than last season. California expects nearly 9,650,000 bushels. Oregon will have many more pears than last year, but Washington a slight decrease. New York may double its 1931 crop, and Michigan may show an increase of one-third. Shipments from California to date have not been half as heavy as to the same time last season, but had increased to about 100 cars per day, with light movement beginning in other States.

Watermelon markets were very weak and prices extremely low during the peak movement about July 1, in spite of the fact that this year's peak was nearly one-third lighter than that of 1931. Movement recently decreased to around 500 cars daily, as the season shifted northward. Georgia was about finished; the Carolinas and north Texas were still active, with Virginia, Maryland, and Missouri about to begin. Some shipments to western markets also were coming from California. Total melon shipments to date have been one-third less than last season. Cash-track prices at central Georgia shipping points strengthened to $30–$75 per carload of medium-sized Tom Watsons or $40–$75 for Dixie Belles, as peak movement was passed. A slight improvement also occurred in city prices.

POTATO MARKETS WEAK

Potato acreage in the United States is estimated to be only 1 per cent greater than that of last year and the indicated total production, according to July condition, is about 378,000,000 bushels, compared with 375,518,000 in 1931 and an average of 361,000,000 bushels for the period 1924–1928. Among the late-shipping States, eastern areas expect fewer potatoes than last year, but the Central and Western States probably will have considerable increases. The intermediate States, which were shipping during July, had slightly fewer potatoes than last season.

Total rail and boat movement of new potatoes to mid July was only 37,000 cars, compared with 60,000 the year before. Prices of eastern stock were just about the same as last season, but mid-western potatoes were bringing less than half what they brought last summer. A severe heat wave throughout the Middle West had caused some damage to potatoes in Kansas and Missouri, which further depressed the market price. Shippers of cobblers in those States were receiving only 55 to 60 cents per 100-pound sack, while f. o. b. prices on eastern shore of Virginia had declined to $1.40 per barrel. The Chicago car-lot market quoted barrels from Virginia at $2.25, while mid-western stock ranged mostly 65 to 75 cents per sack and Idaho Bliss Triumphs about $1.70 per 100 pounds. Shipments during late July averaged 700 cars per day, with the season opening in such States as Maryland, New Jersey, Nebraska, and Minnesota. A few old potatoes were still coming from Maine, which was very unusual for so late in the season.

Sweetpotato plantings were increased 12 per cent over last year's acreage, chiefly in the South. Indicated production of 80,300,000 bushels, as forecast in July, would be 28 per cent more than last season and 40 per cent above the average for 1924–1928. Movement was still very light, averaging only 20 or 25 cars per day, mostly from the South. Bushel hampers were jobbing in terminal markets at 65 cents to $1.75, with Tennessee Nancy Halls from storage at 25 to 75 cents.

Onions in the late States this year may occupy about 57,500 acres, or 15 per cent more than in 1931. Car-lot movement during late July was somewhat heavier than last summer, with about 80 cars rolling each day. Chief sources were California, Washington, Iowa, Texas, and New Jersey. Bushel hampers or 50-pound sacks from the East and Middle West were jobbing within a range of 40 to 90 cents, while the 50-pound sacks of Yellow Bermudas from Texas or California sold at 60 cents to $1.25, with Crystal Wax stock slightly higher.

Lettuce shipments had increased to about 150 cars daily, mostly from California, Washington, Colorado, and New York. Markets were weak and prices relatively low. Cash-track sales in far Western States were being made at $1.25 to $1.35 per crate of 4 to 5 dozen heads, and the city jobbing range on western Iceberg type was $2 to $3.50, with the 2-dozen crates of eastern Big Boston lettuce selling at 25 to 75 cents. Five intermediate States together have about 755,000 crates this year. Production in the first group of five late States may be 3,460,000 crates, or 9 per cent more than last season. New York and Colorado report sharp gains.

Tomatoes were a heavier crop than last year in the intermediate States, although car-lot movement during the latter part of July was considerably lighter than in 1931, or only 100 cars per day. Tennessee was still shipping a considerable number of cars, and movement was active in other Central and Eastern States. Prices were irregular. The lug boxes from Tennessee were jobbing in large city markets at 40 cents to $1, compared with Texas stock at 25 to 90 cents and eastern lugs at 35 cents to $1. Chicago dealers got 65 to 85 cents per lug box from Arkansas or 30 to 50 cents per 4-basket crate from Illinois.

PAUL FROEHLICH,
Division of Fruits and Vegetables.

JULY DAIRY MARKETS

A slightly firmer tone prevailed in dairy markets early in the month, but this has not been fully maintained and as July draws to a close markets are somewhat unsettled. Sentiment as to the general condition of the market is divided at the moment, one viewpoint being influenced by a feeling that the unusually hot weather in many important dairy sections will cut down production, and that present price levels are so low that dairy markets will strengthen. Others, however, point to an unsatisfactory movement of dairy products into consumption even at low prices, and the possibility that if prices should advance this will serve to cut down on the quantities which are entering consumption. Such opinions influence market dealers in determining whether they shall be buyers or sellers, but under present conditions it appears that a great majority of dairymen are limiting their production, only by the extent to which unfavorable weather conditions or scarcity of feed may prevail. Dairying is still being capitalized as one means of ready cash income.

Reports from butter areas indicate that conditions have been unfavorable this month for production. The weather has been unusually hot, and rainfall, if any, has been more or less local. Since the middle of the month this has been particularly true. Current reports on July production are confusing, in that some areas are showing increases and others decreases. June production of creamery butter was estimated at 186,997,000 pounds, a decrease of 3.9 per cent under June, 1931. There was considerable variation from last year in the different States, but this is explained in part by the fact that production in these States during July, 1931, was also somewhat irregular. For the first half of 1932, total butter production was approximately the same as in 1931, according to estimates which show that 1932 exceeded 1931 by but 0.17 per cent during this 6-month period.

Cheese production in June was below June, 1931, by fully 8 per cent, with all of the middle western and eastern areas showing decreases. In New York State there was a 15 per cent decline, and in Wisconsin a 10 per cent decline. In the Mountain States and on the Pacific coast, both of which are fairly important cheese areas, there were increases. Evaporated-milk production increased 3.7 per cent during June, compared with a year earlier. The output of this product has continued to gain each succeeding month this year over corresponding months of 1931. Part of the June increase appears to

have been due to an increase in the number of patrons delivering milk to plants manufacturing evaporated milk, and this in turn may account for part of the decrease in cheese production, especially in New York and Wisconsin.

Butter prices have followed an upward trend this month, and the average for the month will be higher than June by about a cent. Last year the difference was approximately 1½ cents. The trend of cheese prices has also been upward during July. Cheese prices are about 3 cents per pound below a year ago, and butter prices are some 7 cents lower. Fluid-milk prices for July show a very slight drop under June, but are of course considerably below 1931 at this season. Dealers' buying prices for milk used to supply city trade are 50 cents per hundredweight lower this month than they were in July last year, and average retail prices are slightly in excess of 1½ cents per quart lower. July prices to producers reported by condenseries average a new low of 77 cents per hundredweight. The June price was 81 cents, and in July, 1931, the average was $1.02.

Stocks of dairy products are less than they were last year. But while this is true, it is of some interest to note that there has been a larger net increase in stocks through the calendar year as a whole than occurred during the first half of 1931. In the case of butter, for example, January 1 storage stocks amounted to but 26,643,000 pounds, compared with 63,401,000 pounds on January 1, 1931. Coming to July 1, butter in storage totaled 84,152,000 pounds, compared with 89,172,000 pounds on July 1, 1931. Thus, from January 1 to July 1 this year, the net increase was greater than during the same period in 1931, being 57,500,000 pounds in 1932, and only 25,700,000 pounds in 1931. During May and June butter stocks increased 74,000,000 pounds this year, compared with 72,000,000 pounds last year. The July increase in important storage centers is also heavier than in 1931.

All information available points to continued decreases in the consumption of butter and cheese. Estimates for June are a reduction of 4.6 per cent for butter, and 10 per cent for cheese, as compared with June, 1931. Evaporated milk moved from manufacturers' hands in larger quantities this June than in the same month last year. In terms of milk equivalents of all manufactured dairy products combined, trade output in June was 5 per cent below June, 1931, and for the year, January to June, inclusive, was 4 per cent less.

L. M. Davis,
Division of Dairy and Poultry Products.

EGG AND POULTRY MARKET SITUATION

Egg values showed a further improvement in early July. Quotations on middle western mixed colors at New York advanced 2½ to 3 cents per dozen during the first two weeks, toward the middle of the month touching the highest point that had been reached since the latter part of February. Behind this advance were receipts of very irregular quality, a scarcity of good eggs, and prices too low to induce storage withdrawals so early in the season in view of the relatively small storage stocks. Jobbers found it necessary to bid prices upward to obtain supplies of desirable quality. When this point was

reached, offerings were made so freely as to cause an immediate reaction in prices, and a part of the early gain was lost. Many dealers, too, felt that the advance had been most too rapid, and that the resulting higher retail prices would tend to check consumption. At the decline of 1 to 1½ cents per dozen the market steadied under renewed buying, and slight fractional gains were made on some grades.

The into-storage season for eggs for 1932 is rapidly approaching a close, and with the period of short production just ahead considerable interest is now being centered in probable price developments within the next month or so. Much will, of course, depend upon the policy followed by owners of storage eggs, particularly during the late summer months. Should such owners be willing to sell when prices reach a point to permit a moderate profit rather than refuse to sell in the hope of larger profits later in the year, prices should hold within a relatively narrow range.

The immediate statistical position of the market contains much that is encouraging, although there are some features that emphasize the advisability of a conservative policy. Peak holdings of eggs in cold storage this year will probably be the smallest in 16 years. The 6,340,000 cases reported in cold storage on July 1 was about 33 per cent less than the stocks in storage on the corresponding day last year and 34 per cent less than the 5-year average July 1 stocks. An offsetting element to the favorable stock situation is that receipts at the principal markets in late July are not declining as fast as they did in late July last year. They continue to lag behind those of last year, but not to the same extent as earlier in the season. It is probable that very shortly they will exceed those of last year.

The poultry markets in July continued the irregular trend of June. Supplies of fresh-killed dressed broilers increased seasonally, but the movement was somewhat lighter than had been expected and most sizes were cleaned up readily. There has as yet been no speculative buying, and no surplus to test out the price at which storing interests will buy. The loss realized on most of the broilers stored last year is undoubtedly promoting a policy of caution, and the fear of a repetition of the last fall and winter heavy production will most likely keep the quantity stored this summer below that of last year. It is felt in some quarters that inasmuch as hatchings this year were later than those of a year ago there will be a larger supply of broilers available for late summer marketing.

Receipts of fowl were not especially heavy, but as there was only a nominal interest supplies were fully ample. Recent shipments from country points have not been as large as those of a year ago, and with the number of hens on farms slightly less than those of last year at this time and the recent improvement in egg prices the undertone is firm and some strengthening of the market is expected.

The frozen-poultry market in July was also irregular, with values in most cases reflecting the final attempt to move remaining stocks of chickens. The sale of turkeys was pushed at a decline of 1 cent on some sales, but only a fair movement recorded. Total stocks of all classes of poultry reported in cold storage on July 1 amounted to 36,689,000 pounds compared to 32,762,000 pounds on July 1 last year and 43,463,000 pounds for the 5-year July 1 average.

B. H. Bennett,
Division of Dairy and Poultry Products.

PRICES OF FARM PRODUCTS

Actual prices received by producers at local farm markets as reported to the division of crop and livestock estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

Product	5-year average August, 1909–July, 1914	July average, 1910–1914	July, 1931	June, 1932	July, 1932
Cotton, per pound..cents..	12. 4	12. 7	8. 5	4. 6	5. 1
Corn, per bushel....do....	64. 2	70. 1	54. 0	29. 4	29. 9
Wheat, per bushel...do....	88. 4	86. 2	36. 3	37. 3	35. 7
Hay, per ton......dollars..	11. 87	11. 78	9. 30	7. 60	6. 95
Potatoes, per bushel.cents..	69. 7	81. 5	82. 5	44. 4	48. 8
Oats, per bushel.....do....	39. 9	40. 9	23. 3	19. 8	17. 5
Beef cattle, per 100 pounds ....dollars..	5. 20	5. 33	5. 16	3. 81	4. 52
Hogs, per 100 pounds..do..	7. 24	7. 25	6. 20	2. 82	4. 23
Eggs, per dozen.....cents..	21. 5	16. 9	14. 8	10. 6	12. 0
Butter, per pound.....do..	25. 5	23. 3	24. 7	18. 6	18. 4
Butterfat, per pound...do..	26. 3	23. 5	21. 1	14. 6	14. 4
Wool, per pound......do..	17. 8	17. 5	12. 7	7. 2	7. 0
Veal calves, per 100 pounds..........dollars..	6. 75	6. 74	6. 66	4. 63	5. 00
Lambs, per 100 pounds.do..	5. 90	6. 09	5. 60	4. 49	4. 37
Horses, each..........do..	142. 00	142. 00	64. 00	61. 00	61. 00

COLD-STORAGE SITUATION

[July 1 holdings, shows nearest millions, i. e., 000,000 omitted]

Commodity	5-year average	Year ago	Month ago	July 1, 1932
Frozen and preserved fruits.pounds..	62	89	69	90
40 per cent cream...40-quart cans..	-------	[1] 257	[1] 169	[1] 330
20 per cent cream...........do....	-------	[1] 16	[1] 1	[1] 4
Creamery butter..........pounds..	89	89	29	84
American cheese.............do....	63	63	40	54
Frozen eggs.................do....	94	114	95	100
Shell eggs..................cases..	[1] 9, 865	[1] 9, 507	[1] 5, 380	[1] 6, 340
Total poultry............pounds..	43	33	45	37
Total beef..................do....	48	46	36	30
Total pork..................do....	811	775	796	731
Lard........................do....	159	116	128	132
Lamb and mutton, frozen....do....	3	3	1	1
Total meats.................do....	936	898	892	817

[1] Three ciphers omitted.

GENERAL TREND OF PRICES AND WAGES

[1910–1914=100]

Year and month	Wholesale prices of all commodities [1]	Industrial wages [2]	Prices paid by farmers for commodities used in— Living	Production	Living-production	Farm wages	Taxes [3]
1910	103	------	98	98	98	97	------
1911	95	------	100	103	101	97	------
1912	101	------	101	98	100	101	------
1913	102	------	100	102	100	104	------
1914	99	------	102	99	101	101	100
1915	102	101	107	103	106	102	102
1916	125	114	125	121	123	112	104
1917	172	129	148	152	150	140	106
1918	192	160	180	176	178	176	118
1919	202	185	214	192	205	206	130
1920	225	222	227	175	206	239	155
1921	142	203	165	142	156	150	217
1922	141	197	160	140	152	146	232
1923	147	214	161	142	153	166	246
1924	143	218	162	143	154	166	249
1925	151	223	165	149	159	168	250
1926	146	229	164	144	156	171	253
1927	139	231	161	144	154	170	258
1928	141	232	162	146	156	169	263
1929	139	236	160	146	155	170	267
1930	126	226	151	140	146	152	266
1931	107	207	129	122	126	116	------
June—1921	136	202	------	------	------	------	------
1922	141	196	------	------	------	------	------
1923	146	219	------	------	------	------	------
1924	138	214	------	------	------	------	------
1925	150	220	------	------	------	------	------
1926	147	228	165	145	157	------	------
1927	137	230	161	145	155	------	------
1928	141	232	163	148	157	------	------
1929	139	236	160	146	155	------	------
1930	127	227	154	141	149	------	------
1931	105	207	132	125	129	------	------
1932							
January	98	191	------	------	118	98	------
February	97	189	------	------	116	------	------
March	96	189	115	112	114	------	------
April	96	183	------	------	113	94	------
May	94	177	------	------	112	------	------
June	93	174	------	------	[4] 110	------	------

[1] Bureau of Labor Statistics. Index obtained by dividing the new series, 1926=100, by its pre-war average, 1910–1914, 68.5.
[2] Average weekly earnings, New York State factories. June, 1914=100.
[3] Index of estimate of total taxes paid on all farm property, 1914=100.
[4] Preliminary.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August, 1909–July, 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought[1]	Ratio of prices received to prices paid
	Grains	Fruits and vegetables	Cotton and cottonseed	Meat animals	Dairy products	Poultry products	All groups		
1910	104	91	113	103	100	104	103	98	106
1911	96	106	101	87	97	91	95	101	93
1912	106	110	87	95	103	101	99	100	99
1913	92	92	97	108	100	101	100	100	99
1914	103	100	85	112	100	105	102	101	101
1915	120	83	78	104	98	103	100	106	95
1916	126	123	119	120	102	116	117	123	95
1917	217	202	187	173	125	157	176	150	118
1918	226	162	245	202	152	185	200	178	112
1919	231	189	247	206	173	206	209	205	102
1920	231	249	248	173	188	222	205	206	99
1921	112	148	101	108	148	161	116	156	75
1922	105	152	156	113	134	139	124	152	81
1923	114	136	216	106	148	145	135	153	88
1924	129	124	211	109	134	147	134	154	87
1925	156	160	177	139	137	161	147	159	92
1926	129	189	122	146	136	156	136	156	87
1927	128	155	128	139	138	141	131	154	85
1928	130	146	152	150	140	150	139	156	90
1929	121	136	145	156	140	159	138	155	89
1930	100	158	102	134	123	126	117	146	80
1931	63	98	63	93	94	96	80	126	63
July—									
1921	109	156	79	109	133	128	111	------	------
1922	105	174	166	120	127	111	126	------	------
1923	112	165	199	105	139	116	130	155	84
1924	130	142	215	103	123	121	132	153	86
1925	152	178	186	148	131	141	149	160	93
1926	125	195	126	152	129	137	136	157	87
1927	139	195	125	131	130	112	130	155	84
1928	142	156	170	157	134	134	145	156	93
1929	122	136	145	167	135	143	140	155	90
1930	92	173	99	127	115	101	111	148	75
1931	57	110	71	92	85	83	79	127	62
1932									
January	52	70	45	68	85	87	63	118	53
February	51	68	47	65	79	70	60	116	52
March	51	73	50	69	76	61	61	114	54
April	50	78	46	66	74	60	59	113	53
May	49	80	42	59	69	60	56	112	50
June	44	82	37	57	62	59	52	110	48
July	42	83	41	72	63	65	57	[2] 109	[2] 53

[1] These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

[2] Preliminary.

AGRICULTURAL LOANS OUTSTANDING [1]

Year and month	Farm mortgage loans by—				Federal intermediate credit bank loans	
	Federal land banks	Joint stock land banks	Loans of 40 life insurance companies	Member banks	To cooperative associations	To financing agencies
	Millions of dollars	*Millions of dollars*	*Millions of dollars*	*Millions of dollars*	*Thousands of dollars*	*Thousands of dollars*
1926	1,078	632	1,588	489	52,704	39,730
1927	1,156	667	1,618	478	31,991	43,924
1928	1,194	605	1,606	444	36,174	45,103
1929	1,197	585	1,591	388	26,073	50,018
1930	1,188	553	1,554	387	64,377	65,633
1931						
June	1,182	532	1,537	389	57,535	79,206
July	1,179	551	1,535		57,536	79,509
August	1,178	548	1,533		51,479	81,027
September	1,174	545	1,530	376	49,270	81,121
October	1,171	540	1,527		47,027	78,470
November	1,167	535	1,523		49,141	74,467
December	1,163	530	1,512	362	45,255	74,613
1932						
January	1,158	525	1,512		43,070	74,612
February	1,154	520	1,506		40,286	73,934
March	1,150	513	1,498		38,147	74,346
April	1,146	507	1,487		35,867	77,605
May	1,143	490	1,477		36,851	78,983
June	1,139	470			35,628	80,462

SELECTED INTEREST AND DISCOUNT RATES, AND BOND YIELDS

Year and month	12 Federal land banks' rates to borrowers	Federal intermediate credit banks' loan and discount rates		Yield on Federal land bank bonds	Rates on commercial paper (4–6 months) (average)	Federal reserve bank discount rates (New York)
		Loans	*Discounts*			
1917	5.05			4.33	4.74	4 –4½
1920	5.50			5.14	7.46	4¾–7
1923	5.50	5.50	5.50	4.39	5.01	4 –4½
1929	5.32	5.56	5.61	4.78	5.84	4½–6
1930	5.63	4.53	4.54	4.70	3.58	2½–4½
1931	5.63	4.08	4.08	5.34	2.63	1½–3½
1932						
January	5.63	5.34	5.34	5.82	3.88	3½
February	5.63	5.43	5.43	5.77	3.88	3 –3½
March	5.63	5.44	5.44	5.63	3.62	3
April	5.63	5.27	5.27	5.62	3.50	3
May	5.63	4.79	4.79	5.75	3.12	3
June	5.63	4.10	4.10	5.95	2.75	2½–3

[1] See April, 1932, issue for sources of data.

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